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An Act To Establish a Sales Tax Rebate for Certain Vehicles

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 36 MRSA §1765, sub-§1, as repealed and replaced by PL 1987, c. 402, Pt. A, §180, is amended to read:

1. Motor vehicles. Motor vehicles. For purposes of this subsection, “traded in” includes the sale of a motor vehicle within 6 months after the purchase of another motor vehicle on which tax has been paid as required by this Part. A person seeking a credit under this subsection for sales tax paid shall provide to the assessor, in a form acceptable to the assessor, proof of the sale and the price for which the vehicle was sold;

Sec. 2. Application. This Act applies to sales of motor vehicles against which a trade-in allowance may be taken occurring on or after October 1, 2007.

SUMMARY

Current law allows a person who trades in a motor vehicle at the time of purchase of another motor vehicle to deduct, for purposes of calculating the sales tax due on the new motor vehicle, the trade-in allowance for the old motor vehicle from the purchase price of the new motor vehicle.

This bill extends that provision to allow the trade-in allowance, and subsequent sales tax credit, to apply to the sale of the old motor vehicle within 6 months after the purchase of the new motor vehicle.